

ENCOURAGING ECONOMIC DEVELOPMENT

Redevelopment Commission

Description

Redevelopment commissions are responsible for developing plans and managing tools used to address conditions of blight (redevelopment areas) and underutilized land of economic significance (economic development areas). The work of the redevelopment commission typically involves identifying blighted areas, designating redevelopment areas, developing plans to eliminate blight and working in partnership with private developers to generate new economic development with increased tax base and new jobs. **Redevelopment Commissions are a necessary precursor to the use of TIF** (except in the case of military base reuse authorities and qualified airport development zones).

Establishment and Membership: The guidelines for establishing a redevelopment commission are in I.C. 36-7-14. A redevelopment commission (and the redevelopment organization that reports to it) are established thorough the adoption and approval of an ordinance by the appropriate local legislative body. A redevelopment commission consists of either five members for cities and towns or seven members in a county. In a city or town, three of the five members of the redevelopment commission are appointed by the municipal executives. Two members are appointed by the municipal legislative body. For a county-wide redevelopment commission all five (or seven) members of the redevelopment commission are appointed by the board of commissioners. Redevelopment commissioners must be at least eighteen years of age and must reside within the sponsoring political jurisdiction (city/town, or county). The redevelopment commission must pay for a \$15,000 bond for each commissioner; the bond is conditioned on the faithful performance of the duties of the office. Typically, redevelopment commissioners are appointed for one-year terms running from January 1 to December 31, re-appointments are common. Commissioners do not receive a salary but are entitled to reimbursement for expenses incurred.

Powers and Duties: As previously stated, the primary mission of the redevelopment commission is to address issues associated with blight, by creating redevelopment areas) and to remove barriers to economic growth (in economic development areas). In order to accomplish these missions the redevelopment commission may:

- Utilize eminent domain
- Purchase land and property
- Hold, sell, or lease property
- Clear property for redevelopment purposes
- Repair, maintain, and make major structural improvement to property for redevelopment purposes
- Survey and examine land to be acquired for redevelopment purposes
- Appoint an executive director and other staff
- Accept loans, grants, and other financial assistance from Federal and state government and other sources

The creation of a redevelopment commission also creates a special taxing unit and enables the commission to levy property taxes to be used for redevelopment purposes. If there is both a county and a civil/city town redevelopment commission in the same county, then the county taxing unit includes all territory within the county except for the territory of the civil city/town.

The redevelopment commission also must provide its legislative body with an annual report within 30 days of the end of the calendar year, describing both the activities it has undertaken in the past year and the names of any commissioners appointed or removed during the preceding calendar year.

Relevant Statutes

- IC 36-7-14. Redevelopment of Areas Needing Redevelopment Generally; Redevelopment Commissions

Capacity Recommendations

Typically, cities, towns, and/or counties that have redevelopment commissions employ a redevelopment director, who reports to the redevelopment commission. Oftentimes the redevelopment director has additional staff and access to either a staff or consulting redevelopment counsel. Communities typically retain bond (when debt is incurred) and legal counsel to determine how development law applies to a specific set of circumstances.

Guidelines / Considerations for Implementation

No guidelines/ considerations for implementation are available for this tool.

Example Ordinances

No example ordinances are available for this tool.

Example Studies

No example studies are available for this tool.

Helpful References and Links

Redevelopment Association of Indiana Handbook (2006)

This handbook produced by the association provides how-to information regarding the establishment of a redevelopment commission, designation of a redevelopment or economic development area, elements of a redevelopment or economic development plan, establishment of an allocation area, project financing, acquisition and disposition of real estate, and the use of tax increment financing and tax abatement. It also includes an inventory of cities, towns, and counties with TIF districts, sample resolutions and other instruments, as well as a roster of association members.

For a copy of this report contact Matt Brase, mbrase@citiesandtowns.org, 317/237-6200.

Helpful Contacts

Redevelopment Association of Indiana [http://www.citiesandtowns.org/content/affiliated/RAI_DHT.htm]: The Redevelopment Association of Indiana, a part of the Indiana Association of Cities and Towns (IACT) is a membership organization for redevelopment board members and redevelopment staff representing 46 cities, towns and counties. The Redevelopment Association operates under the premise is that while there are legally mandated actions and commonly adopted practices, there also is abundant room for local innovation and Indiana ingenuity. One of the association's principal missions is to serve as an informational and educational resource for existing redevelopment commissions and units of government considering the establishment of a redevelopment commission. Redevelopment Association members are available to share their experiences.

For more information contact Matt Brase, mbrase@citiesandtowns.org, 317/237-6200.

Other Possible Funding Sources

No other funding sources have been identified for this tool.

Program Objectives and Issues Addressed

- Economic development
- Redevelopment of existing underutilized areas

See Also

- Economic Development Strategic Plan
- Economic Development Area